

Message Text

UNCLASSIFIED

PAGE 01 OTTAWA 01026 112245Z

15

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 EB-07

CIEP-02 TRSE-00 STR-04 OMB-01 CEA-01 COME-00 JUSE-00

ACDA-10 SAJ-01 SAM-01 /096 W
----- 097660

R 112225Z MAR 76

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 9110

UNCLAS OTTAWA 1026

E.O. 11652: N/A

TAGS: MILI, EAIR, MARR, NATO, CA

SUBJ: LOCKHEED LRPA PROJECT

REF: OTTAWA 921

FOLLOWING IS EXCERPT FROM MAR 10 MONTREAL GAZETTE ARTICLE
ENTITLED "OTTAWA TO MOVE SOON ON LOCKHEED PACT"

BEGIN QUOTE. CANADA WILL DECIDE BY THE END OF THIS MONTH
WHETHER TO GO AHEAD WITH A \$1-BILLION CONTRACT WITH
LOCKHEED AIRCRAFT CORP. FOR 18 LONG-RANGE PATROL AIRCRAFT,
SUPPLY MINISTER JEAN-PIERRE GOYER SAID YESTERDAY.
HE TOLD REPORTERS THAT THE MAIN PROBLEM IS FINANCING THE
PURCHASE. THE SOLUTION HAS TO COME FROM THE DEFENCE
DEPARTMENT, HE ADDED.

THE DEPARTMENT ANNOUNCED LAST YEAR THAT IT WOULD BUY THE
PLANES FROM LOCKHEED FOLLOWING A COMPETING BID FROM THE
BOEING CO., BUT NO CONTRACT WAS SIGNED.

GOYER SAID THE REVELATIONS OF FINANCIAL DIFFICULTIES AND
BRIBERY OVERSEAS BY LOCKHEED MADE THE GOVERNMENT
MORE PRUDENT IN ITS NEGOTIATIONS WITH THE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OTTAWA 01026 112245Z

TROUBLED U.S. COMPANY.

THE DIFFICULTIES CONCERN PROGRESS PAYMENTS FOR THE AIRCRAFT, WHICH COST \$52 MILLION EACH, AND THE SOLUTION DEPENDS ON PRODUCTION SCHEDULES FOR THE PLANES, GOYER SAID.

COMPLETION DATE WAS ORIGINALLY SET FOR 1980 AND PAYMENT WAS TO BE FOR EACH PLANE AS IT WAS PRODUCED.

GOYER WAS COMMENTING ON REPORTS THAT LOCKHEED HAD LED THE GOVERNMENT TO BELIEVE IT WOULD SUPPLY THE FINANCING EVEN THOUGH IT WAS LACKING \$200 MILLION IN INITIAL FUNDS FOR CONSTRUCTION.

HE SAID CANADA STILL WANTS TO SIGN A CONTRACT WITH LOCKHEED, BUT IT WILL DEPEND ON THE CURRENT NEGOTIATIONS. THE U.S. GOVERNMENT REPRESENTS TWO-THIRDS OF LOCKHEED ORDERS AND THIS ENSURES 'SUFFICIENT SAFETY' OF ANY CANADIAN CONTRACT FOR AIRCRAFT FROM THE COMPANY GOYER TOLD PARLIAMENT. END QUOTE.
ENDERS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, MILITARY AIRCRAFT, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976OTTAWA01026
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760093-1000
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760371/aaaackqv.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 OTTAWA 921
Review Action: RELEASED, APPROVED
Review Authority: wolfsd
Review Comment: n/a
Review Content Flags:
Review Date: 24 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 JUN 2004 by chengls>; APPROVED <14 SEP 2004 by wolfsd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LOCKHEED LRPA PROJECT
TAGS: MILI, EAIR, MARR, EFIN, CA, US, NATO, LOCKHEED
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006